

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representatives Flanagin and von Grep
5 By: Senator Bookout
6
7

A Bill

HOUSE BILL 1819

For An Act To Be Entitled

9 "AN ACT TO AMEND CHAPTER 81 OF TITLE 6 OF THE ARKANSAS
10 CODE TO ESTABLISH THE RURAL ADVANCED NURSING PRACTICE
11 STUDENT LOAN AND SCHOLARSHIP PROGRAM AND THE ADVANCED
12 NURSING PRACTICE COMMUNITY MATCH STUDENT LOAN AND
13 SCHOLARSHIP PROGRAM; AND FOR OTHER PURPOSES."
14

Subtitle

15 "TO ESTABLISH THE RURAL ADVANCED NURSING
16 PRACTICE STUDENT LOAN AND SCHOLARSHIP
17 PROGRAM AND THE ADVANCED NURSING
18 PRACTICE COMMUNITY MATCH STUDENT LOAN
19 AND SCHOLARSHIP PROGRAM."
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Chapter 81 of Title 6 of the Arkansas Code is amended by
25 adding the following subchapter:

26 "6-81-1201. Definitions.

27 As used in this subchapter:

28 (1) Board means the Arkansas Nursing Practice Student Loan and
29 Scholarship Board;

30 (2) Rural community means a community within a Health Professions
31 Shortage Area, as determined by the board, or a community having a population
32 of no more than fifteen thousand (15,000) persons according to the most
33 recent federal census taken prior to the execution of the loan contract or
34 the most recent federal census taken prior to the time the recipient of the
35 loan or loans shall be required to practice full time in such rural community

1 as provided in §§ 6-81-1204 and 6-81-1206; or

2 (3) Primary Care Nursing means nursing care provided in one of the
3 following areas of practice: family practice nursing, pediatric nursing,
4 women's health nursing, nurse midwifery, gerontology nursing and adult
5 nursing.

6 6-81-1202. Arkansas Primary Care Nursing Practice Student Loan and
7 Scholarship *Board*.

8 (a) There is established the Arkansas Primary Care Nursing Practice
9 Student Loan and Scholarship *Board* to be composed of the Dean, Chair or
10 Director of each of the accredited graduate nursing programs in the state
11 that offer a nurse practitioner specialty in primary care, the President of
12 the State Board of Nursing, the President of the Council of Nurse
13 Administrators of Nursing Education Programs in Arkansas, the Director of the
14 Arkansas Department of Health, and one consumer to be appointed by the
15 Governor.

16 (b) The *board* shall:

17 (1) Promulgate reasonable rules and regulations as may be
18 necessary to execute the provisions of this subchapter, including regulations
19 addressing:

20 (A) the requirements for a Health Professions Shortage
21 Area.

22 (B) the requirements to become a qualified rural community
23 eligible to participate in the Advanced Nursing Practice Community Match Loan
24 and Scholarship Program.

25 (C) The establishment of a minimum scholastic standing
26 which a high school graduate must have achieved and the academic or
27 scholastic standing a student must maintain in an accredited school of
28 nursing in this state, as a condition of receiving scholarship funds or
29 financial aid under the provisions of 6-81-1208.

30 (D) The establishment of standards for a determination of
31 the financial needs of the applicant for scholarship or financial aid under
32 6-81-1208, including the ability of the applicant or the spouse or the
33 parents or guardian of such applicant to furnish a part of the funds
34 necessary to pay the expenses of the applicant while attending a school of
35 nursing.

1 (E) All matters relating directly to the agreement for
2 providing these scholarship funds or financial aid, including the terms and
3 conditions of providing financial aid to the student and relating to the
4 obligation of the recipient of financial aid to engage in the nursing
5 *profession in a rural community.*

6 (2) Prescribe forms for and regulate the submission of
7 applications for financial assistance;

8 (3) Determine eligibility of applicants;

9 (4) Allow or disallow applications for financial assistance;

10 (5) Contract, increase, decrease, terminate, and otherwise
11 regulate all grants for this purpose and receipt for their repayment, and
12 convert loans to scholarships;

13 (6) Manage, operate, and control all funds and property
14 appropriated or otherwise contributed for this purpose;

15 (7) Accept gifts, grants, bequests, or devises and apply them as
16 a part of this program;

17 (8) Sue and be sued as the *board*; and

18 (9) Accept moneys from federal programs which may be used for
19 furtherance of the purposes of this subchapter.

20 (c) *The board may, by a majority vote of the total membership of the*
21 *board, cast at its first regularly scheduled meeting of each calendar year,*
22 *authorize expense reimbursement for board members performing official duties*
23 *of the board and such expense reimbursement shall not exceed the rate*
24 *established for state employees in the state travel regulations.*

25 6-81-1203. Advanced Nursing Students - Eligibility for rural advanced
26 nursing practice loans.

27 (a) The *board* may make rural advanced nursing practice loans to an
28 applicant, each rural advanced nursing practice loan being expressly made
29 subject to the provisions of § 6-81-1204, if it finds that:

30 (1) The applicant is a bona fide resident of Arkansas;

31 (2) The applicant has been accepted for admission to, or is
32 enrolled in good standing in, an accredited graduate primary care nurse
33 practitioner program in the state leading to a graduate degree in nursing;

34 (3) The applicant is or will be a full-time graduate nursing
35 student;

1 (4) The applicant needs financial assistance to complete his or
2 her nursing studies;

3 (5) The applicant desires to practice primary care nursing in a
4 rural community; and

5 (6) The applicant is a person of good moral character and one
6 who has the talent and capacity to profit by advanced nursing studies.

7 (b) Subject to the availability of funds, an initial rural advance
8 nursing practice loan for one (1) academic year shall be renewable annually
9 for the number of years required to complete studies leading to a graduate
10 degree in nursing or additional amounts, not to exceed the maximum amount
11 specified in 6-81-1204. All subsequent rural advance nursing practice loans
12 shall be granted only upon application by the recipient and a finding by the
13 *board* that:

14 (1) The applicant has completed successfully the advanced
15 nursing studies of the preceding academic year and remains in good standing
16 as an enrolled full-time student in an accredited graduate primary care nurse
17 practitioner program in the state;

18 (2) The applicant continues to be a resident of Arkansas; and

19 (3) The applicant's financial situation continues to warrant
20 financial assistance made under the conditions of this section.

21 6-81-1204. Advanced Nursing Students - Rural practice loan contracts -
22 Obligations and conditions.

23 (a) The maximum amount of each rural advanced nursing practice loan
24 shall not exceed eight thousand dollars (\$8,000) per academic year.

25 (b)(1) The *board* shall enter a loan contract with the applicant to
26 whom a rural advanced practice nursing loan is made.

27 (2) The rural advanced nursing practice loan contract shall be
28 approved by the Attorney General of the State of Arkansas and shall be signed
29 by the chairman of the *board*, the vice-chairman of the *board* and the
30 applicant.

31 (c) Each applicant to whom a rural advanced nursing practice loan or
32 loans is granted by the *board* shall execute a written loan contract which
33 shall incorporate the following obligations and conditions:

34 (1)(A) The recipient of a rural advanced nursing practice loan
35 or loans shall bindingly contract that upon completion of his or her graduate

1 degree in nursing and upon national certification as a nurse practitioner, he
2 or she shall practice advanced primary care nursing full-time in a rural
3 community.

4 (B) For each continuous whole calendar year of advanced
5 primary care nursing practice in accordance with subdivision (b)(1)(A) of
6 this section, the *board* shall cancel, by converting to a scholarship grant,
7 the full amount of one year's loan plus accrued interest.

8 (2)(A) In the event that any rural advanced nursing practice
9 loan recipient under this subchapter does not engage in the practice of
10 advanced primary care nursing in accordance with the terms of this section
11 and of his or her loan contract in order to have the loan contract recognized
12 as a scholarship, the recipient shall remain obligated to repay the loan or
13 loans received, together with interest thereon, at the maximum rate allowed
14 by Arkansas law, or the federal discount rate plus five percent (5%) per
15 annum, whichever is the lesser, the interest to accrue from the date each
16 payment of funds was received by the recipient.

17 (B) No interest shall accrue, nor obligation to repay the
18 principal sums accrued during any one (1) period of time that the recipient
19 involuntarily serves on active duty in the United States Armed Forces.

20 (C) Repayment of principal, with interest, shall be due
21 and payable in full at the earliest to occur of the following events:

22 (i) Failure to remain in full-time enrollment status
23 continuously to completion of a graduate nursing degree for any reason other
24 than temporary personal illness;

25 (ii) Failure to obtain national certification as a
26 nurse practitioner within twelve (12) months *after graduation*;

27 (iii) Failure to practice primary care nursing on a
28 regularly sustained basis while residing in a rural community in Arkansas, as
29 defined in § 6-81-1201, provided however, that the *board* may waive the
30 residency requirement on a case-by-case basis; and

31 (iv) Failure to establish a primary care nursing
32 practice within six (6) months following graduation from an accredited
33 graduate nursing program or within six (6) months after receiving national
34 certification, whichever is later, unless otherwise deferred by approval of
35 the *board*.

1 (D) In the event of the death of the recipient, all loans
2 unpaid shall be due and payable.

3 (d) The *board* may amend agreements entered into with any student who
4 is currently enrolled as a graduate nursing student as approved by the *board*
5 pursuant to this section.

6 6-81-1205. Advanced Nursing Students - Community Match Contract -
7 Eligibility for initial and renewal loans.

8 (a) The *board* shall administer the Advanced Nursing Practice Community
9 Match Loan and Scholarship Program. Interested rural communities may apply
10 to the *board* to participate in the Advanced Nursing Practice Community Match
11 Loan and Scholarship Program as a qualified rural community. The *board* shall
12 approve a designated representative or representatives of the qualified rural
13 community to assist the *board* in matters relating to any community match
14 contracts entered into by the *board* and the qualified rural community.

15 (b) The *board*, in conjunction with a qualified rural community, may
16 make community match loans to applicants, each loan being expressly made
17 subject to the provisions of 6-81-1206, if it finds that:

18 (1) The applicant is a bona fide resident of Arkansas;

19 (2) The applicant has been accepted for admission to, or is
20 enrolled in good standing in, an accredited graduate primary care nurse
21 practitioner program in the state leading to a graduate degree in nursing;

22 (3) The applicant is or will be a full-time graduate nursing
23 student;

24 (4) The applicant desires to practice primary care nursing in
25 the qualified rural community;

26 (5) The applicant is a person of good moral character and one
27 who has the talent and capacity to profit by advanced nursing studies; and

28 (6) The designated representative or representatives of the
29 qualified rural community approve the applicant.

30 (b) Subject to the availability of funds, an initial advanced nursing
31 practice community match loan for one (1) academic year shall be renewable
32 annually for the number of years required to complete studies leading to a
33 graduate degree in nursing or additional amounts, not to exceed the maximum
34 amount specified in Arkansas Code Annotated 6-81-1206. All subsequent loans
35 shall be granted only upon application by the recipient and a finding by the

1 *board that:*

2 (1) The applicant has completed successfully the advanced
3 nursing studies of the preceding academic year and remains in good standing
4 as an enrolled full-time student in an accredited graduate primary care nurse
5 practitioner program in the state; and

6 (2) The applicant continues to be a resident of Arkansas.

7 6-81-1206. Advanced Nursing Students - Community Match Contract -
8 Obligations and Conditions.

9 (a) The maximum amount of each advanced nursing practice community
10 match loan shall not exceed twelve thousand five hundred dollars (\$12,500)
11 per academic year. The *board* shall provide one-half (1/2) of the community
12 match loan, and the qualified rural community shall provide the other one-
13 half (1/2) of the loan; provided, however, that in the event the *board* does
14 not have sufficient funds to match the community's portion of the loan,
15 nothing shall preclude a qualified rural community from providing the total
16 loan amount.

17 (b)(1) The *board* and the qualified rural community shall enter a joint
18 loan contract with the applicant to whom a loan is made.

19 (2) The advanced nursing practice community match contract shall
20 be approved by the Attorney General of the State of Arkansas and shall be
21 signed by the chairman of the *board*, the vice-chairman of the *board*, the
22 designated representative or representatives of the qualified rural community
23 and the applicant.

24 (c) Each applicant to whom an advanced nursing practice community
25 match loan or loans is granted by the *board* shall execute a written loan
26 contract which shall incorporate the following obligations and conditions:

27 (1)(A) The recipient of an advanced nursing practice community
28 match loan or loans shall bindingly contract that upon the completion of his
29 or her graduate degree in nursing and upon national certification as a nurse
30 practitioner, he or she shall practice primary care nursing full-time in the
31 contracting qualified rural community.

32 (B) For each continuous whole calendar year of primary
33 care nursing practice in accordance with subdivision (d)(1)(A) of this
34 section, the *board* and the qualified rural community shall cancel, by
35 converting to a scholarship grant, the full amount of one year's loan plus

1 accrued interest.

2 (2)(A) In the event that any loan recipient withdraws from the
3 Advanced Nursing Practice Community Match Loan and Scholarship Program while
4 enrolled as a graduate nursing student at an accredited graduate primary care
5 nursing school in the state, the recipient shall be obligated to repay the
6 community match loan or loans received, together with interest thereon, at
7 the maximum rate allowed by Arkansas law, or the federal discount rate plus
8 five percent (5%) per annum, whichever is the lesser, the interest to accrue
9 from the date each payment of funds was received by the recipient.

10 (B) Repayment of principal, with interest *and liquidated*
11 *damages*, under subdivision (c)(2) shall be due and payable in full at the
12 earliest to occur of the following events:

13 (i) Withdrawal from the Community Match Loan and
14 Scholarship Program; or

15 (ii) Failure to remain in full-time enrollment
16 status continuously to completion of the graduate degree in nursing for any
17 reason other than temporary personal illness.

18 (3)(A) In the event that any loan recipient from the Advanced
19 Nursing Practice Community Match Loan and Scholarship Program under this
20 section does not engage in the practice of primary care nursing in accordance
21 with the terms of this section and of his or her loan contract in order to
22 have the loan contract recognized as a scholarship, the recipient shall be
23 obligated to repay the loan or loans received, together with interest
24 thereon, at the maximum rate allowed by Arkansas law, or the federal discount
25 rate plus five percent (5%) per annum, whichever is the lesser, the interest
26 to accrue from the date each payment of funds was received by the recipient.

27 (B) Repayment of principal, with interest and penalties,
28 under subdivision (c)(3) shall be due and payable in full at the earliest to
29 occur of the following events:

30 (i) Failure to obtain national certification within
31 twelve (12) months *after graduation*;

32 (ii) Failure to practice primary care nursing on a
33 regularly sustained basis while residing in the contracting qualified rural
34 community in Arkansas, provided however, that the *board*, in conjunction with
35 the qualified rural community, may waive the residency requirement on a

1 case-by-case basis; and

2 (iii) Failure to establish a primary care practice
3 within six (6) months following graduation from an accredited graduate nurse
4 practitioner program or within six (6) months after receiving national
5 certification, whichever is later, unless otherwise deferred by approval of
6 the *board*.

7 (C) *In addition, because of the hardship placed upon the*
8 *rural community as a result of a breach of contract by the loan recipient and*
9 *the difficulty in ascertaining or determining damages arising out of a breach*
10 *of contract by the loan recipient, the contract shall provide for liquidated*
11 *damages in an amount equal to fifty percent (50%) of the principal of the*
12 *loan which shall not preclude the board and the qualified rural community*
13 *from asserting other legal rights as a result of the breach of contract.*

14 (4) No interest shall accrue, nor obligation to repay the
15 principal sums accrued during any one (1) period of time that the recipient
16 involuntarily serves on active duty in the United States Armed Forces.

17 (5) In the event of the death of the recipient, all loans unpaid
18 shall be due and payable.

19 (d) The *board* may amend agreements entered into with any student who
20 is currently enrolled as a graduate primary care nursing student as approved
21 by the *board* pursuant to this section.

22 6-81-1207. Funding of loans.

23 All payments for loans under this subchapter shall be made on
24 requisitions signed by the chairperson of the *board* drawn against funds held
25 for the purposes of this subchapter. These funds, consisting of state
26 appropriations so designated, including the Nursing Student Scholarship Fund,
27 revolving amounts received from repayment of loans and interest, and all
28 funds and property, and income therefrom, received by the *board* under its
29 authority to accept and apply gifts, bequests and devises, shall be held in
30 trust and disbursed by the fiscal officers of the Medical Center, University
31 of Arkansas, pursuant to this subchapter.

32 6-81-1208. Nursing students - Terms and conditions of loans.

33 (a)(1) The *board* may make a scholarship award or grant of financial
34 assistance to any worthy high school graduate in this state in order to pay
35 all or part of the reasonable and necessary expenses of the applicant while

1 attending a recognized school of nursing at a publicly supported institution
2 in this state.

3 (2) However, in no event shall the amount of any scholarship
4 award or financial assistance to any single applicant exceed *two thousand*
5 *dollars (\$2,000)* per academic year.

6 (b)(1) No scholarship award or financial assistance shall be provided
7 to any applicant under the provisions of this section unless the applicant
8 enters into a written agreement with the *board* to engage in the practice of
9 *nursing in a rural community for a period of one (1) year for each year of*
10 *scholarship assistance.*

11 (2) If any recipient of a scholarship award or financial
12 assistance under the provisions of this section fails or refuses to comply
13 with the agreement entered into with the board to engage in the practice of
14 nursing in a *rural community*, the recipient shall be obligated to immediately
15 repay the full amount of all scholarship awards or financial assistance
16 received, together with interest at the *maximum rate allowed by law* from the
17 date of receipt of the funds."

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19 SECTION 2. Arkansas Code 6-81-712 and 6-81-713 are repealed.

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21 SECTION 3. All provisions of this act of a general and permanent
22 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
23 Code Revision Commission shall incorporate the same in the Code.

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25 SECTION 4. If any provision of this act or the application thereof to
26 any person or circumstance is held invalid, such invalidity shall not affect
27 other provisions or applications of the act which can be given effect without
28 the invalid provision or application, and to this end the provisions of this
29 act are declared to be severable.

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31 SECTION 5. All laws and parts of laws in conflict with this act are
32 hereby repealed.

33

34 SECTION 6. EMERGENCY. It is hereby found and determined by the
35 Eightieth General Assembly that there is a pressing and immediate need for

1 additional nurse practitioners in rural areas of Arkansas; that this act has
2 as its purposes the furnishing of financial assistance to those willing to
3 commit to rural practice. Therefore, an emergency is hereby declared to
4 exist and this act being necessary for the immediate preservation of the
5 public peace, health and safety shall be in full force and effect from and
6 after its passage and approval.

7 */s/Rep. Flanagin, et al*

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